

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6131

BILL NUMBER: SB 70

NOTE PREPARED: Nov 7, 2005

BILL AMENDED:

SUBJECT: Charges for small consumer loans.

FIRST AUTHOR: Sen. Paul

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: No Fiscal Impact

Summary of Legislation: Provides that for a supervised loan of at least \$100 but not more than \$1,000, a lender may charge both: (1) an acquisition charge of not more than 10% of the principal amount; and (2) a monthly installment account handling charge based on the amount of the loan; instead of the finance charge that otherwise would apply to a supervised loan. Sets forth procedures for refunding the acquisition charge and the installment account handling charge upon the prepayment in full, refinancing, or consolidation of the loan. Prohibits the lender from making insurance charges or other charges for such supervised loans.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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